



Farnham Town Council

Report and Financial Statements

Year ending 31st March 2018

Farnham Town Council

Financial Statements for the year ended 31 March 2018

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2018 are set out on the pages attached and consist of the following:

- **The Income & Expenditure Account**, showing income and expenditure on all services.
- **The Balance Sheet**, setting out the Council's financial position at the year end.
- **Notes to the Accounts**, providing information on amounts included in the statements.

This foreword provides a brief summary of the more important aspects of Farnham Town Council's activities and its financial position.

Basis of preparing the Financial Statements

As the Council's income is less than £6,500,000, the Council's accounts follow the CIPFA Accounting Guidance for medium-sized councils. The balance sheet does not therefore need to include the value of fixed assets such as premises, equipment and infrastructure, although they are included for completeness. The cost of services excludes depreciation and the accounts also exclude adjustments that would be necessary to meet accounting standards relating to the accounting treatment for retirement benefits, as compliance is not required.

External Auditor's Opinion

The External Auditor's Opinion is provided on an Annual Governance & Accountability Return provided to the Council's Auditors:

PKF Littlejohn LLP
Ref: SBA
2nd Floor
1 Westferry Circus
Canary Wharf
LONDON
E14 4HD

The figures provided in these statements are consistent with those provided in the Annual Governance & Accountability Return.

The Annual Governance & Accountability Return can be seen with the June Council Agenda and is also available online at www.farnham.gov.uk or on request from Farnham Town Council.

Farnham Town Council Outturn for the Year ended 31st March 2018

The outturn for the year is set out in the Income & Expenditure Account on page 4 and may be summarised as follows:

	£	
Cost of services	1,269,436	
Income received	278,122	
Net spending	<u>1,269,436</u>	
Local Parish Council Tax Grant(included in income)	16,790	
Precept on Waverley Borough Council	<u>1,035,819</u>	
Amount transferred to balances for the year	<table border="1"><tr><td style="text-align: center;">44,505</td></tr></table>	44,505
44,505		

Capital expenditure

The funding for capital expenditure in the 2017/18 year was all from revenue (including grants) and balances. There was no borrowing in the year.

Statement of responsibilities for the Statements of Accounts

The Council is required to:

- Make arrangements for the administration of its financial affairs.
- Ensure that one of its officers (referred to as the Responsible Financial Officer) is responsible for the administration of those affairs. At Farnham Town Council, that officer is the Town Clerk.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

The Responsible Financial Officer is responsible for preparation of the Council's statements of accounts in accordance with the CIPFA Accounting Guidance so far as applicable to this Council, to present fairly the financial position of the Council at 31 March 2018 and its income and expenditure for the year then ended. In preparing the statements of accounts, the Responsible Officer has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements that were reasonable and prudent; and
- Complied with the Guidance.

The Responsible Officer has also:

- Kept proper accounting records that were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Councillor Mike Hodge
Town Mayor (2017-18)
Council Offices
South Street
Farnham
Surrey GU9 7RN

Farnham Town Council
Income & Expenditure for the year ended 31 March 2018

Expenditure by Working Groups	Year ended 31 March 2018			2016/17
	Expense	Income	Net	Net
	£	£	£	£
1 Strategy & Finance (excluding precept)	607,497	41,237	566,260	628,898
2 Community Enhancement	327,565	58,191	269,374	203,626
3 Tourism & Events	199,411	87,587	111,854	114,843
4 Cemeteries	134,933	91,107	43,886	45,079
<hr/>				
Net cost of services	1,269,436	278,122	991,374	992,446
			£	£
Precept on the Borough Council			1,035,819	1,011,187
Surplus/(Deficit) for the year			44,505	18,741
Movement on General Fund balance and reserves:				
Balance brought forward			1,389,562	1,370,821
Surplus/Deficit for the year			44,505	18,741
Balance carried forward			1,434,067	1,389,562

Farnham Town Council Balance Sheet at 31 March 2018

	Notes	31 March 2018		31 March 2017	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		1,618,822		1,465,857	
Debtors (including VAT recoverable)	4	46,366		33,821	
Bank/Petty cash		1,258		35,144	
Mayor's charity funds held by council		1,906		1,741	
Total current assets			1,668,352		1,536,563
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		234,285		147,001
Total assets less current liabilities			1,434,067		1,389,562
Capital and reserves					
Earmarked Reserves	6		913,000		868,000
General Reserves			521,067		521,562
Total reserves			1,434,067		1,389,562

The Council has an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22.

The amount outstanding is:	£41,347	£47,817
----------------------------	---------	---------

The Notes on pages 6 to 10 also form part of the Financial Statements.

The Council falls within the Audit Commission's 'lighter touch' audit regime and so the external audit opinion is provided on the Annual Return, which includes a summary of the Income and Expenditure Statement and Balance Sheet.

The above statement presents fairly the financial position of the Council as at 31 March 2018 and reflects its income and expenditure for the year. These Financial Statements reflect statements that were approved at a meeting of the Council held in June 2018.

.....
Town Mayor 2017-18

.....
Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2018

I. Principal accounting policies

Accounting convention

The Financial Statements have been prepared in accordance with the CIPFA Accounting Guidance for Local Councils, which is recognised by statute as representing proper accounting practices, as applied to the accounts of local councils.

Fixed assets

The Council's Financial Statements are not required to include the value of fixed assets on the balance sheet or depreciation in the Income & Expenditure Account. The acquisition, creation or enhancement of fixed assets is charged to revenue each year, and disposal proceeds are credited to a capital receipts reserve if not immediately used to fund capital expenditure.

Fixed assets are valued in the Notes to the Financial Statements on the bases recommended by CIPFA and in accordance with the statements of asset valuation principles set out in 'Governance and Accountability – A Practitioners' Guide' and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

- Land, operational properties and equipment, infrastructure and community assets are valued at the original purchase price, or the value at first recording of the asset. These values remain unchanged until disposal.
- Certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Assets considered to have no appreciable realisable value are recorded at their historic cost value or given a £1 nominal value.

At the end of the 2013-14 financial year, the assets were reviewed and restated in line with the latest guidance issued by the external auditor with assets previously listed to include proxy values, being revalued to zero (for gifts) or £1 for assets transferred from another authority.

Debtors and creditors

The Council's Financial Statements are maintained on an accruals basis. Amounts due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year.

Stocks and work in progress

Stocks of office supplies and for grounds maintenance have been treated as consumed because their value was not material.

Reserves

The Council maintains certain operational reserves to meet general and specific future expenditure. The purpose of the Council's reserves is explained in Note 6.

General administration and support service costs

Central administrative support costs are reallocated direct to the services concerned, so far as they can reasonably be ascertained. The remaining administrative costs, including those relating to the democratic process, are shown as a separate service cost in the Income & Expenditure Account.

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2018
(continued)

2. Pension costs

The Council's staff members are eligible to become members of the Surrey Superannuation Fund, which is administered by Surrey County Council and are auto-enrolled into the scheme as required.

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. These contributions are determined by the Fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the Fund, in accordance with relevant government regulations. In 2017-18 the Council made an additional contribution of £100,000 into the pension fund ahead of the next triennial review to minimise future contributions.

3. Fixed assets (following revaluation 31st March 2014 in line with external auditor's latest guidance)	31st March 2018	31st March 2017
Operational land and buildings (on historic cost basis)	£	£
Council Offices	261,728	261,728
Other Public Buildings	243,220	240,986
Wrecclesham Community Centre	205,901	205,901
Depot	122,362	119,448
 Vehicles and equipment		
Vehicles	103,778	66,390
Audio and Visual Systems	25,603	23,608
Christmas Decorations	101,275	87,006
Civic Insignia	14,814	14,814
Grounds Equipment	68,482	55,391
Computers, telephones and office equipment	69,198	65,682
Other	27,009	20,709
 Infrastructure assets		
Bus shelters	59,707	59,707
Town Centre CCTV	43,324	43,324
Boards and Signs	13,547	13,547
Street furniture (Litter bins, lampposts, Seats)	19,478	19,478
 Community assets		
Cemeteries	353,459	244,968
Allotments and Gardens	25,892	25,892
Long-term investments		
CCLA Local Authorities Property Fund	100,000	100,000
Total value	1,858,775	1,668,578

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2018 (continued)

4. Debtors and prepayments	2018	2017
	£	£
Debtors	26,872	16,990
Value added tax	19,494	16,831
Prepayments	-	-
	46,366	33,821

5. Creditors and accrued expenses	2018	2017
	£	£
Creditors	12,599	4,557
Pensions/PAYE/NIC creditor	7,121	8,478
Income in advance	102,586	52,472
Accruals	106,340	76,258
HSBC Commercial Card	3,733	3,495
Mayor's charity funds held by Council	1,906	1,741
	234,285	147,001

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.18	Comments
Election and By-election Fund	£35,000	To cover Election and By-election costs. WBC invoices after an election.
Legal Expense fund	£30,000	To cover unforeseen legal costs.
New Equipment	£50,000	Planned equipment upgrades including vehicles.
Wrecclesham Community Centre	£35,000	Provision unforeseen expenditure.
Bus Shelters and Street Furniture	£20,000	Infrastructure to be developed.
SCC Bus Shelter Refurbishment	£8,000	Committed sum from Surrey County Council for bus shelter refurbishment
Gostrey Meadow and public space enhancements	£40,000	Includes lighting/ power upgrades and bandstand.
Additional CCTV equipment	£50,000	To fund programmed investment.
Planning	£25,000	Provision for Neighbourhood Plan.

/cont'd

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2018
(continued)

6. Earmarked Reserves and General Reserves (continued)

Category	Balance at 31.3.18	Comments
Environment	£20,000	Provision for Air Quality and other initiatives.
Cemetery Chapels	£160,000	Major repairs are required to the Chapels.
Cemetery Enhancements	£40,000	Programme of works to footpaths and memorials.
Cemeteries	£30,000	Other identified costs including future provision.
IT investment	£15,000	To fund required investment/ upgrades.
Tourism Development	£10,000	To fund improved services.
Public Conveniences	£80,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£100,000	Unforeseen/emergency repairs provision
Council Chamber	£20,000	Replacement furniture and equipment
Christmas Lights	£30,000	To fund the purchase of future Christmas Lights
Capital Receipts	£115,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
Total Earmarked	£913,000	
General	£521,067	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,434,067	

7. Contingent liabilities

There were no contingent liabilities at 31 March 2018 (2017: none).

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2018
(continued)

8. Grants paid in the year

During the year grants were paid to the following organisations:

<u>Community Grants:</u>	£
40 Degreez	2,000
4 th Farnham Scout Group	625
Badshot Lea Village Infant School	275
Bishop's Meadow Trust	2,000
Blooming Art	1,512
Citizens Advice – Waverley	15,360
Computing for all	360
Farnham Building Preservation Trust	1,500
Farnham Competitive Music Festival	800
Farnham Maltings (Community Projects)	2,000
Farnham Maltings	13,000
Farnham Swimming Club	200
Farnham Youth Football	750
Hale Carnival	500
Museum of Farnham	1,000
New Ashgate Gallery Trust	1,550
Opportunities	360
Rowledge Tennis Club	1,000
Rural Life Centre	655
Stop Gap Dance Company	750
Surrey Youth Focus	1,500
The Dance Movement	1,000
The Woodlarks Centre	2,000
Voices Together Community Choir	500
Waverley Hoppa Community Transport	<u>10,000</u>
	<u>61,197</u>
 <u>Town Clerk Small Grants</u>	 £
Farnham Local Food	250
Farnham Maltings – Dementia Action Alliance	250
Farnham Repair Café	250
Farnham Rotary Club	156
Kids Out	250
Phyllis Tuckwell Hospice	100
Post 19	115
St Andrew's PCC	200
St Andrew's School	31
Vivaldi Singers	200
Waverley Singers	<u>250</u>
	<u>2,052</u>
 <u>Other Grants:</u>	 £
Farnham Maltings Grant for new screen	5,000